

# Public Utilities Commission

Analyst: Milstead

## Historical Summary

<b>OPERATING BUDGET</b>	<b>FY 2003 Total App</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Approp</b>	<b>FY 2005 Request</b>	<b>FY 2005 Gov Rec</b>
<b>BY FUND CATEGORY</b>					
Dedicated	4,344,100	3,932,000	4,516,400	4,494,000	4,511,500
Federal	55,300	0	65,400	70,000	70,400
<b>Total:</b>	<b>4,399,400</b>	<b>3,932,000</b>	<b>4,581,800</b>	<b>4,564,000</b>	<b>4,581,900</b>
Percent Change:		(10.6%)	16.5%	(0.4%)	0.0%
<b>BY OBJECT OF EXPENDITURE</b>					
Personnel Costs	3,082,800	2,900,800	3,125,500	3,203,400	3,228,500
Operating Expenditures	1,312,600	1,031,200	1,456,300	1,337,000	1,329,800
Capital Outlay	4,000	0	0	23,600	23,600
<b>Total:</b>	<b>4,399,400</b>	<b>3,932,000</b>	<b>4,581,800</b>	<b>4,564,000</b>	<b>4,581,900</b>
Full-Time Positions (FTP)	49.00	49.00	49.00	49.00	49.00

## Department Description

The Idaho Public Utilities Commission was established by the 12th Session of the Idaho Legislature and was organized on May 8, 1913. The Commission oversees the intrastate operation of investor-owned electric, gas, water, and telecommunications utilities, pipelines, and railroads. The Commission does not regulate publicly owned municipal, or cooperative utilities. The Commission serves the citizens and utilities of Idaho by determining fair, just and reasonable rates for utility commodities and services to be delivered safely, reliably, and efficiently, and by ensuring safe and adequate rail services within the state.

After the legislature removed the motor carrier function from the Commission, the Administration, Utilities and Regulated Carriers programs were combined into one program for budgeting purposes. The commissioners are supported by two policy analysts, legal counsel, the utilities division, and an administrative division.

The Administration Division has management, fiscal, personnel and public affairs, pipeline, and railroad carrier responsibilities. It provides support services for the agency (Sections 61-301:337, Idaho Code). The railroad carriers function is responsible to assure that railroads operate safely and that the public is provided adequate rail service (Section 61-509, Idaho Code).

The Utilities Division includes: Accounting, Engineering, Economic, Telecommunications, and Consumer Assistance. The Accounting Section advises the Commission on auditing, accounting, financing, income tax and security issues. It participates in all rate cases to determine proper income, expenses, rate bases and revenue requirements. The Engineering, Economic, and Telecommunications Sections are primarily responsible for economic and engineering analysis of rates, rate design, and cost of service and technical evaluations of company proposals. The Consumer Assistance Section is responsible for handling customer complaints and specialized information requests.

Programs are funded by the Public Utilities Commission Fund which consists of fees collected from the regulated utilities (telephone, power, natural gas, and water corporations) in the amount of not more than 0.3% (currently .2384%) of their intrastate revenues (Section 61-1004, Idaho Code) and from railroad corporations not more than 1% (currently .7823%) of the gross operating revenues derived from the intrastate business. In prior years, General Fund expenditures for the salaries and benefits of the commissioners (section 61-1009, Idaho Code) were reimbursed to the General Fund at year end from the Public Utilities Commission Fund. However, beginning in FY 2001, the law was changed and Commissioner's salaries are now paid from the PUC Fund.

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## Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
<b>FY 2004 Original Appropriation</b>	<b>49.00</b>	<b>0</b>	<b>4,581,800</b>	<b>49.00</b>	<b>0</b>	<b>4,581,800</b>
<b>FY 2005 Base</b>	<b>49.00</b>	<b>0</b>	<b>4,581,800</b>	<b>49.00</b>	<b>0</b>	<b>4,581,800</b>
Personnel Cost Rollups	0.00	0	53,400	0.00	0	53,400
Inflationary Adjustments	0.00	0	7,200	0.00	0	0
Replacement Items	0.00	0	23,600	0.00	0	23,600
Nonstandard Adjustments	0.00	0	(126,500)	0.00	0	(126,500)
Change in Employee Compensation	0.00	0	24,500	0.00	0	49,600
Fund Shifts	0.00	0	0	0.00	0	0
<b>FY 2005 Total</b>	<b>49.00</b>	<b>0</b>	<b>4,564,000</b>	<b>49.00</b>	<b>0</b>	<b>4,581,900</b>
Change from Original Appropriation	0.00	0	(17,800)	0.00	0	100
% Change from Original Appropriation			(0.4%)			0.0%

# Public Utilities Commission

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>FY 2004 Original Appropriation</b>	49.00	0	4,516,400	65,400	4,581,800
<b>FY 2005 Base</b>					
Agency Request	49.00	0	4,516,400	65,400	4,581,800
Governor's Recommendation	49.00	0	4,516,400	65,400	4,581,800
<b>Personnel Cost Rollups</b>					
Includes the employer-paid portion of estimated changes in employee benefit costs. The two biggest factors are: health insurance rates which are projected to increase by 17 percent, from \$5,548 to \$6,493 per employee; and retirement system (PERSI) rates that will increase by over 6% to 10.39 percent of salary.					
Agency Request	0.00	0	52,700	700	53,400
Governor's Recommendation	0.00	0	52,700	700	53,400
<b>Inflationary Adjustments</b>					
Includes a general inflationary increase of 1.9% in operating expenditures.					
Agency Request	0.00	0	7,200	0	7,200
<i>The Governor recommends no increase for general inflation.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>Replacement Items</b>					
Replaces 16 of 52 PCs (\$900 each); two of five laptops (\$1,800 each); and LAN components (\$5,600).					
Agency Request	0.00	0	23,600	0	23,600
Governor's Recommendation	0.00	0	23,600	0	23,600
<b>Nonstandard Adjustments</b>					
The Statewide Cost Allocation Plan assesses state agencies for their actual use of Attorney General, State Controller and State Treasurer services. For the Commission, the FY 2005 assessment reflects a substantial reduction of \$123,200 in Attorney General fees to account for an overcharge in FY 2004, reduction of \$2,600 in Controller fees and an increase of \$100 in Treasurer fees . Also included are changes in property/casualty insurance premiums (reduction of \$800).					
Agency Request	0.00	0	(126,500)	0	(126,500)
Governor's Recommendation	0.00	0	(126,500)	0	(126,500)
<b>Change in Employee Compensation</b>					
Reflects the cost of a 1% salary increase for permanent and group positions.					
Agency Request	0.00	0	24,100	400	24,500
<i>The Governor recommends a compensation increase of 2% to be distributed based on merit. No adjustment to the pay line is recommended.</i>					
Governor's Recommendation	0.00	0	48,800	800	49,600
<b>Fund Shifts</b>					
Reflects a shift to the federal fund due to an increased allocation of time to the Pipeline Safety Program.					
Agency Request	0.00	0	(3,500)	3,500	0
Governor's Recommendation	0.00	0	(3,500)	3,500	0
<b>FY 2005 Total</b>					
Agency Request	49.00	0	4,494,000	70,000	4,564,000
Governor's Recommendation	49.00	0	4,511,500	70,400	4,581,900

# Public Utilities Commission

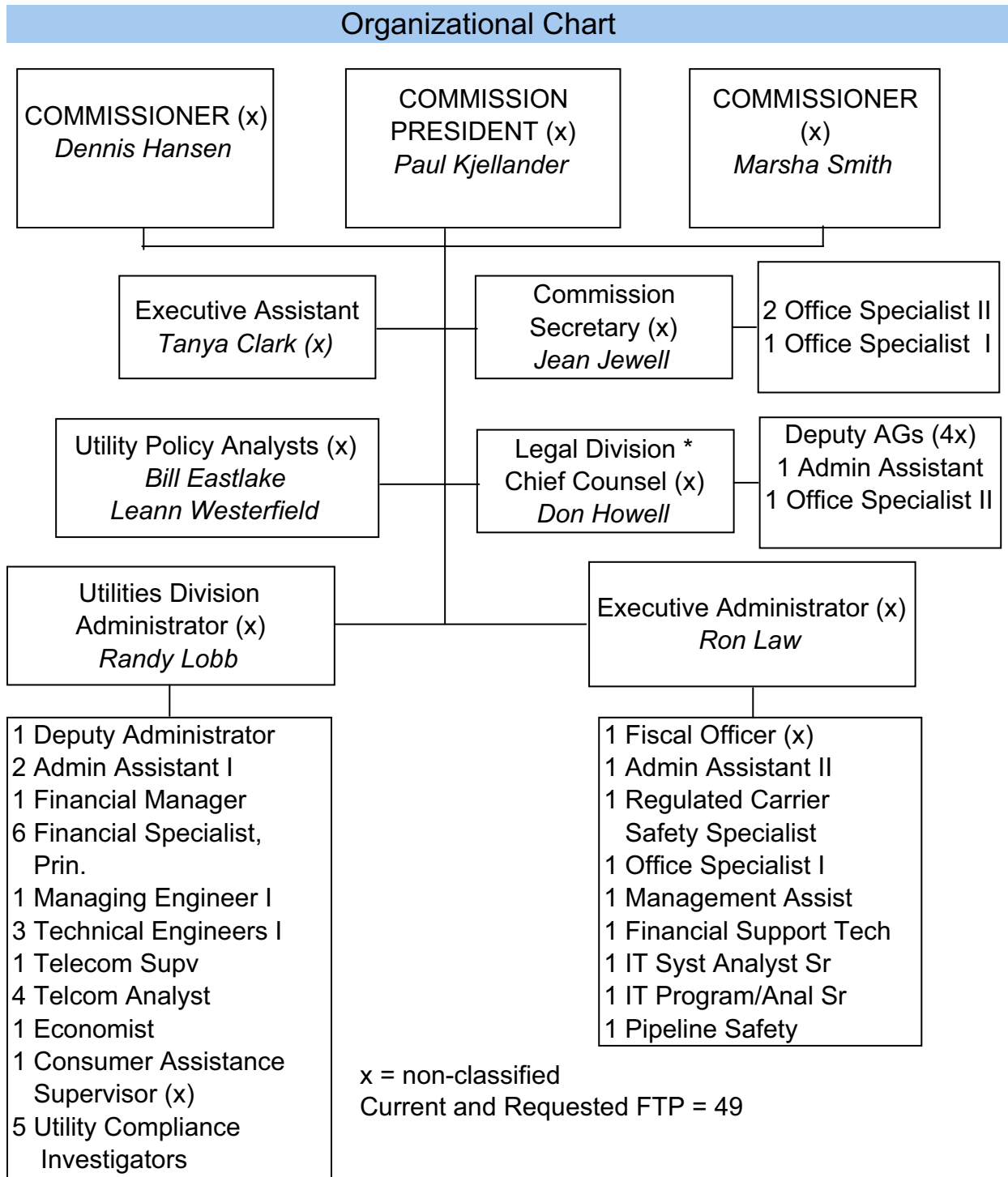
Analyst: Milstead

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<i>Agency Request</i>					
Change from Original App	0.00	0	(22,400)	4,600	(17,800)
% Change from Original App	0.0%		(0.5%)	7.0%	(0.4%)
<i>Governor's Recommendation</i>					
Change from Original App	0.00	0	(4,900)	5,000	100
% Change from Original App	0.0%		(0.1%)	7.6%	0.0%

# Public Utilities Commission

## Issues & Information

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\*Note: Attorneys General are paid through o.e. by contract with the AG's office and do not count as FTPs in this agency.

# Public Utilities Commission

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### Strategic Planning Act Performance Measures

Selected Measures	FY 2002 Act	FY 2003 Act	FY 2004 Est	FY 2005 Est
1. Number of formal workshops/public hearings	68	28	68	68
2. Number of informal complaints	5,301	3,581	3,600	3,600
3. Number of informal complaints investigated	3,562	2,509	2,500	2,500
4. Number of cases overturned	0	0	0	0
5. Number of cases filed	182	197	182	182
6. Resolve issues using alternative dispute resolution	5,269	3,548	3,500	3,500
7. Number of gas pipeline inspections	40	40	55	55
8. Percent of complaints where commission reversed or modified the company's action	40.0%	41.0%	40.0%	40.0%
9. Average number of days to resolve complaints	6	6	6	6
10. Number of formal complaint investigations initiated	5	10	5	5
11. Number of formal complaints	6,881	4,708	5,000	5,000
12. Conduct railroad crossing safety inspections	199	130	130	130
13. Investigate railroad crossing accidents	33	8	35	35
14. Correct railroad crossing deficiencies	28	33	NA	NA
15. Conduct hazardous materials inspections of railroad tankcars	685	1,229	957	957

Fund Information	FY 2002 Act	FY 2003 Act	FY 2004 Est	FY 2005 Est
Public Utilities Commission Fund				
Beginning Free Fund Balance	\$3,650,500	\$3,924,700	\$4,425,700	\$4,158,200
Regulatory Utility Fees (.2577% of intrastate rev)	4,229,600	4,261,600	4,120,500	4,244,000
Utilities Security Issuance Fees	10,300	7,100	8,000	8,000
Railroad Regulatory Fees (.8171% gross op rev)	213,600	112,800	119,400	130,000
Miscellaneous Receipts (sale of copies, etc.)	900	3,800	1,000	1,000
Total Available for Year	8,104,900	8,310,000	8,674,600	8,541,200
Cash Expenditures	4,180,200	3,884,300	4,516,400	4,690,700
Encumbrances as of June 30	0	0	0	0
Ending Free Fund Balance*	\$3,924,700	\$4,425,700	\$4,158,200	\$3,850,500

\*The PUC needs to retain a Free Fund Balance of about 50% of the appropriation for cash-flow purposes.